

### The complaint

Mr M has complained that a car provided on finance by Advantage Finance Ltd was not of satisfactory quality or as described.

### What happened

Both Mr M and Advantage are familiar with the events, so I'll briefly summarise them here. Advantage supplied Mr M with a used car on a hire purchase agreement in May 2024.

The cash price of the car was around £6,700 and it had covered around 93,000 miles since first registration in October 2016. Mr M paid a deposit of around £1,600. The hire purchase agreement required payments of around £200 for 53 months followed by a final payment of around £400.

Within the first week Mr M said he contacted the selling dealer to let them know about some problems with the car:

- The handle on the boot
- Seats not locking
- No cover for the boot or clips
- Passenger seat ripped
- Front seats plastic parts loose
- Driver's seat had no lever to adjust
- Driver's side passenger door handle broken
- Internal boot light broken
- Park pilot malfunction

Mr M received an email confirming that the selling dealer would repair the problems detailed above.

Mr M complained to Advantage in October 2024, he said the car still had faults which hadn't been repaired. Advantage arranged and paid for a third party I'll call Expert S, to complete an independent inspection. The mileage at inspection was around 97,700. It said that the inspection report confirmed that the car was fit for purpose because of the age, price and mileage. It also said that although the dealer had agreed to repairs, it had also said the dealer accused Mr M of poor behaviour and taking the car knowing that repairs hadn't yet been done.

Advantage offered a reduced payment plan so that Mr M could pay for repairs, but it didn't offer a refund or allow him to reject the car.

Mr M referred his complaint to our service, and an investigator here reviewed the complaint. She said that although there was evidence of faults with the car, the independent evidence demonstrated that it was of satisfactory quality considering the age, price and mileage.

Mr M disagreed. He said the dealer had agreed to repairs and not completed them. He thought the MOT was fake and the car was not fit for purpose as he wasn't able to use the

rear seats. He wanted to reject the car.

The complaint was assigned to me to make a decision. I made a provisional decision which said:

*I've read and considered the evidence submitted by both Mr M and Advantage, but I'll comment on what I believe is most relevant. If I don't comment on a specific issue, it isn't because I haven't considered it, but because I've decided that I don't need to so to provide a fair outcome. This is not intended as a courtesy but is the informal way that our service works to resolve disputes.*

*Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I provide my decision on the balance of probabilities – meaning, I consider what is most likely to have happened taking into consideration the available evidence and all the circumstances.*

*The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Advantage is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.*

*The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says, amongst other things, that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."*

*The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into consideration any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.*

*The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.*

*The CRA also explains that "every contract to supply goods by description is to be treated as including a term that the goods will match the description". The CRA also explains the remedies available if the goods don't conform to the contract.*

*When Mr M acquired the car in May 2024 the mileage was around 93,000 and the cash price was around £6,700. The car was first registered in October 2016, so when Mr M acquired it, the car was seven years old. It wouldn't be unreasonable to expect the car to have some wear and tear, and that might include the underlying components. There would be very different expectations of it if it was a brand-new car. The price paid usually depends on the age and condition of the car.*

*The CRA explains that goods which do not conform to the contract at any time within the period of six months, beginning with the day on which the goods were delivered to the consumer, must be taken not to have conformed to it on that day. Unless it's established the goods did conform to the contract on that day or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract.*

*To begin with there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.*

*Although Advantage was the supplier of the car under the agreement, it was not aware that*

*Mr M was experiencing any issues until he contacted it in October 2024. Advantage is not responsible for what the selling dealer did after the car was supplied in this case.*

*Considering the description of the faults, the time that had elapsed since supply, and the mileage covered while the car was in Mr M's possession, it was reasonable for Advantage to arrange for an independent expert to inspect the car.*

*Expert S produced a report. I'm not going to go into great detail about each of the faults Mr M reported. But there are a few points I'd like to address. I have to provide a decision on the available evidence and sometimes the issues aren't clear cut, meaning it's not always simple or obvious and there maybe conflicting issues. I've noted that Mr M believes the MOT wasn't genuine, but our service doesn't compel witnesses and marshal evidence like a court does. I've concentrated on the part of the complaint where there is evidence of a fault. I've seen a photo on the report which demonstrates that there is a malfunction with the Park Pilot.*

*Expert S seems to consider this acceptable considering the age, price and mileage of the car. While I respect his professional opinion, I have to say that I'm not entirely persuaded by that.*

*Mr M has described a number of other issues, but I haven't seen enough to say that those also meant the car wasn't of satisfactory quality. He's described an issue with the rear seats not locking into place, which might be a safety issue, and he's said he can't use those seats. But that isn't mentioned in the report and he's not been able to provide further evidence of it. So, in my decision I've concentrated on the fault that I've seen based on the evidence before me.*

*The Park Pilot is a main feature of the car, and although the car was usable, with this type of fault it means that Mr M's use of the car has been impaired. It doesn't seem to be disputed that this fault was present when he was supplied the car, considering how close to supply he reported it. So, I agree this means the car wasn't of satisfactory quality when it was supplied.*

*I don't agree a reasonable person would expect to buy a car with a main feature like this not working.*

*But even if it could be argued that despite this fault the car was of satisfactory quality, evidence shows that the car was "not as described". So that means that the goods didn't conform to the contract, I'll explain why.*

*The advert for the car (which I'll provide with this provisional decision) explains "No tears on the seats" and it also lists the "parking assist" as a feature of the car. I think Mr M has said this because of the faults. The evidence that I've seen demonstrates that there are indeed tears on the seats which have been subject to previous poor repairs, and the report confirms Park Pilot doesn't work. I've seen that the inspection report didn't provide details on the condition of the seats so it's difficult to know if that has already been repaired satisfactorily. But it seems the goods were not as described and don't conform to the contract.*

*Mr M has been consistent in describing faults with the car, although as I've said I've concentrated on those where I'm satisfied the goods didn't conform to the contract. He contacted the selling dealer shortly after supply, and I've seen his communications.*

*I've thought about the right to repair or replacement. In this case, as the goods, in what I've seen, did not conform to the implied term of satisfactory quality or as described, Mr M was entitled to ask Advantage to repair them. The CRA explains that if the consumer requires the trader to repair or replace the goods, the trader must do so within a reasonable time and without significant inconvenience to the consumer.*

Advantage said that repairs had been attempted but Mr M took the car back too soon. It seems that the relationship with the retailer had broken down, but I'm not entirely surprised that Mr M was keen to take the car back considering he needed it to keep mobile, and he was paying for it. I've not yet seen any evidence that a courtesy car was provided.

The CRA explains that (outside the first 30 days) if the car isn't of satisfactory quality, or as described, there's been a repair attempt, and the car still doesn't conform to the contract, Mr M should be able to reject it. Mr M tried to reject the car, and I wouldn't have expected him to have detailed knowledge of his rights.

It seems a repair was agreed while the car was with the retailer, and the car was returned to him. The evidence suggests that the goods were not as described, and they haven't been made to conform to the contract. So, I agree that Mr M should have been and should now be able to exercise his final right to reject.

Advantage should make arrangements to collect the car at no cost to Mr M within a reasonable amount of time and end the agreement with nothing further to pay. Mr M should also be refunded his deposit of £1,600.

I'm aware that Advantage offered Mr M a reduced payment plan to assist with repairs, which was also reasonable considering its position. But I don't yet have any information about whether Mr M accepted that. Mr M and Advantage should provide further information about that in response to this provisional decision, including any evidence of repairs, as it might change the amount that I'm considering as a refund.

Mr M has demonstrated to me that the mileage of the car is now around 107,600. That means he's been able to cover around 14,600 miles since the car was supplied. It's fair that he pays for his use, and to begin with the monthly payment is a fair amount to pay for a month's use. The mileage seems around average, but I agree his use of the car has been slightly impaired due to the fault and the goods not conforming to the contract. His monthly payments were around £200, so I believe Advantage should refund 5% of each payment due to the impaired use.

I don't have sufficient evidence of any significant periods of loss of use. But if further evidence is provided in response to this provisional decision, I may make an award based on the length of time without the car and a proportion of the monthly payment. Any refunds should also attract simple annual interest of 8% from date of payment to date of settlement. It would be hard to imagine it hasn't been inconvenient for Mr M to try to resolve this.

I appreciate that he's been able to use the car. But I believe he has made more than a reasonable effort to resolve this and problems with the car were an additional worry. I've noticed that Advantage did engage with the complaint and tried to resolve things, but ultimately, I agree it is responsible for the breach of contract. I've thought about examples of compensation on our website, and I'd recommend that Advantage should also pay £150 for supplying goods that were not of satisfactory quality and not as described.

Considering the individual circumstances of this complaint I believe that the below are a fair and reasonable way to resolve this complaint.

- end the finance agreement ensuring Mr M is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable)
- take the car back (if that has not been done already) without charging for collection

- Remove any adverse information about the agreement which has been reported to the credit reference agencies.
- Refund Mr M his deposit of £1,600
- Refund 5% of each monthly payment to reflect impaired use
- Pay 8% simple annual interest\* from the date of each payment above until the date of settlement.
- Pay £150 compensation

*\* If Advantage Finance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much tax it's taken off. It should also give Mr M a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Advantage accepted the provisional decision. Mr M did not. In summary he said:

- There were some things that hadn't been considered
- Mr M replaced the seats himself and had ordered the parts from an auction site.
- Mr M said that shortly after he acquired the car it required new front brake discs and pads. He wanted to get a refund for the seats, brakes and other repairs.
- There was an oil leak and a lack of power which hadn't been considered, and he thought that the compensation should be increased.
- Advantage hadn't offered a payment arrangement to help with repairs.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd like to thank both Mr M and Advantage for their prompt response to the provisional decision. Advantage has agreed with the provisional decision but I'm making a final decision to answer the comments from Mr M.

As both Mr M and Advantage seem to now agree that the car wasn't of satisfactory quality, and wasn't as described, I'm not going to discuss that again in as much detail. It seems that the only matters in dispute are the consequential losses and compensation.

Mr M has supplied further evidence that he paid for repairs. This wasn't information that was provided before I made my provisional decision. I've shared this with Advantage as it is new evidence, but it didn't have any further comments.

The evidence demonstrates that, in May 2025, Mr M paid for the following:

- Renew both front brake discs
- Renew front brake pads
- TPMS sensor replacement on each wheel
- Headlamp alignment

The MOT history demonstrates that the car initially failed an MOT in May 2025 because the brakes and sensors needed to be repaired. It subsequently passed the MOT after the repairs. Mr M has supplied evidence that he paid a total of £735.41 for these repairs. He's also supplied evidence that he paid a salvage site £110 for a replacement seat.

As I explained in my provisional decision, there were several issues with the car. The difficulty I had was that there wasn't sufficient evidence that all the issues meant that the car

wasn't of satisfactory quality when it was supplied, which is why I concentrated on the fault with the Park Pilot.

Mr M said that there was an issue with the rear seats, and he's had to replace them. I've not seen enough about that issue to demonstrate that it meant the car wasn't of satisfactory quality when it was supplied. A car of this age and mileage might also need maintenance to wear and tear items like the brakes. He's been able to cover around 6,400 miles before the brakes needed a repair. I don't agree the car would have been able to travel that distance if the brakes needed a repair earlier.

But if Mr M rejects the car, he's not going to get the benefit of those repairs so I'd consider it's fair that cost of repairs should be refunded. It wouldn't be fair that the car is in a better condition when it goes back. The refunds should also have 8% simple interest from date of payment to date of settlement.

Mr M thinks the compensation should be higher because there was an oil leak which he says caused a loss of power. I don't have sufficient evidence about this issue, and I'm aware he's been able to cover around 14,600 miles overall since he acquired the car. I've also already specified an award for impaired use. Mr M has obviously been impacted by the issues with the car, but I believe the award that I've made is broadly similar to examples of compensation on our website, so I still think £150 compensation is a fair amount considering the impact on him. I'm not persuaded that the compensation should be increased from what I set out in my provisional decision.

Mr M has also explained that he didn't get a payment arrangement for the repairs. But I've seen that Advantage offered one in its final response. He might have needed to accept its response to get that. But considering I'm awarding a refund of the amount he paid for the repairs plus interest I don't agree it would be fair to direct Advantage to do more.

I still consider my decision to be fair and reasonable in the circumstances. I'm making a final decision to afford Mr M the protection of a legally binding decision.

And finally, Mr M doesn't need to accept my decision if he believes he can achieve a better outcome through other means. And then he'll be free to pursue the matter through the court, after getting legal advice as necessary.

## **My final decision**

My final decision is that I uphold this complaint and direct Advantage Finance Limited to do the following:

- end the finance agreement ensuring Mr M is not liable for monthly rentals after the point of collection (it should refund him any overpayment for these if applicable)
- take the car back (if that has not been done already) without charging for collection
- Remove any adverse information about the agreement which has been reported to the credit reference agencies.
- Refund Mr M his deposit of £1,600
- Refund 5% of each monthly payment to reflect impaired use
- Reimburse Mr M the £845.41 he paid for repairs
- Pay 8% simple annual interest\* from the date of each payment above until the date of settlement.
- Pay £150 compensation

\* If Advantage Finance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much tax it's taken off. It should also give Mr M a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 December 2025.

Caroline Kirby  
**Ombudsman**